

Message Text

CONFIDENTIAL

PAGE 01 TAIPEI 00264 141031Z

ACTION EB-07

INFO OCT-01 EA-07 ISO-00 FEA-01 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 FRB-03 H-01 INR-07 INT-05 L-03 LAB-04
NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04
ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01 OES-06
/088 W

-----141035Z 040305 /14

R 140930Z JAN 77

FM AMEMBASSY TAIPEI

TO SECSTATE WASHDC 2259

INFO AMEMBASSY SEOUL

AMEMBASSY TOKYO

C O N F I D E N T I A L TAIPEI 264

E.O. 11652: GDS

TAGS: EFIS, ETRD, TW

SUBJECT: CONCERN OVER PERCEIVED RISING TIDE OF US PROTECTIONISM

REF: SEOUL 286

1. RECENT ANNOUNCEMENTS BY THE INTERNATIONAL TRADE COMMISSION OF RECOMMENDED TARIFF RATE QUOTAS ON NON-RUBBER FOOTWEAR AND MUSHROOMS, AND THE CURRENT INVESTIGATION OF COLOR TELEVISION RECEIVER IMPORTS, HAVE CAUSED EXPRESSIONS OF CONCERN BY ROC GOVERNMENT AND INDUSTRY OFFICIALS ON THE IMPACT THESE AND FUTURE ACTIONS MAY HAVE ON ROC IMPORTS TO THE UNITED STATES. CONCERN IN THE ROC, WHILE REAL, APPEARS LESS INTENSE THAN THAT IN THE ROK AS REPORTED REFTEL, POSSIBLY BECAUSE IN SPECIFIC INSTANCES OFFOOTWEAR AND MUSHROOMS, THE ROC WAS IN THE MARKET EARLIER AND THEREFORE HAS LARGER BASE FROM WHICH TO WORK. WE HAVE ATTEMPTED TO EXPLAIN TO GROC THAT THESE ACTIONS DO NOT NECESSARILY REFLECT A "RISING TIDE OF PROTECTIONISM". WE HAVE POINTED OUT THAT THE RECORD OF THE ITC, BY AND LARGE, HAS BEEN LIBERAL TOWARDS FOREIGN TRADE.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TAIPEI 00264 141031Z

2. IN THE CASE OF NON-LEATHER FOOTWEAR, THE QUOTA OF 88,284,000 PAIRS COMPARES WITH ROC EXPORTS TO THE UNITED STATES OF 152,074,000 PAIRS IN 1975 AND AN ESTIMATED 172,000,000 PAIRS IN 1976. ONE INDUSTRY OFFICIAL HAS TOLD US THAT SINCE ROC EXPORTS ARE AT THE LOW-PRICE END, THEY CAN STAND THE 40 PERCENT AFTER-QUOTA RATE

BETTER THAN ITS COMPETITORS. ALSO, THE ROC HAS THE OPTION OF RAISING QUALITY SO AS TO MAINTAIN DOLLAR SALES ON DECLINING VOLUME. ANOTHER CONCERN OF THE ROC FOOTWEAR INDUSTRY IS THE 5 PERCENT COUNTERVAILING DUTY CURRENTLY IN FORCE ON IMPORTS FROM TAIWAN--THIS LARGELY BECAUSE THE GROC HAS NOT SUBMITTED ACCURATE AND COMPLETE DATA TO THE TREASURY DEPARTMENT. AT THE 40 PERCENT RATE, THE ROC INDUSTRY APPARENTLY FEELS THE ADDITIONAL 5 PERCENT WOULD AFFECT THEIR COMPETITIVENESS. (IT IS OUR UNDERSTANDING, HOWEVER, THAT THE IMPOSITION OF A TARIFF-QUOTA WOULD SUPERSEDE THE COUNTERVAILING DUTY.)

3. THE QUOTA ON CANNED MUSHROOMS AT 31.7 MILLION LBS. PER YEAR COMPARES WITH U.S. ARRIVALS OF 35 MILLION LBS. IN 1975 AND 39.1 MILLION LBS. DURING JANUARY-NOVEMBER 1976 (WHICH INCLUDES MOST OF THE CROP YEAR). THE INDUSTRY IN TAIWAN APPARENTLY FEELS THAT EVEN WITH AN IMPOSITION OF A 25 PERCENT DUTY THEY WOULD REMAIN COMPETITIVE.

4. OF GREAT POTENTIAL CONSEQUENCE TO THE ROC WOULD BE THE IMPOSITION OF A TARIFF QUOTA ON COLOR TELEVISION RECEIVERS. WHILE THE ROC EXPORTED ONLY 214,123 COLOR RECEIVERS TO THE UNITED STATES IN 1976, AS COMPARED WITH 2,647,167 BLACK AND WHITE RECEIVERS, THE INDUSTRY IS COUNTING ON SWITCHING INTO COLOR FOR ITS FUTURE AS THE BLACK AND WHITE MARKET HAS APPARENTLY PEAKED. A QUOTA BASED ON CURRENT LEVELS OF U.S. IMPORTS WOULD SERIOUSLY AFFECT ROC PLANS FOR FUTURE GROWTH IN THE IMPORTANT CONFIDENTIAL

CONFIDENTIAL

PAGE 03 TAIPEI 00264 141031Z

SUMER ELECTRONICS SECTOR.

5. AS STATED IN REFTTEL, THE ITC ACTIONS COME AT A TIME WHEN WE ALSO ARE URGING THE ROC TO LIBERALIZE ITS IMPORT POLICIES AND WE CAN EXPECT TO BE REMINDED OF THIS WHEN WE PRESS ON THAT FRONT. HOWEVER, THE UNITED STATES IS SUCH A VITAL MARKET FOR THE ROC, AND ITS SURPLUS IN ITS BILATERAL TRADE SO LARGE AT THIS TIME, WE DO NOT ANTICIPATE A CONFRONTATION UNLESS ROC EXPORT INDUSTRIES ARE MORE SEVERELY AFFECTED THAN THEY APPARENTLY WOULD BE IF THE RECENT ITC RECOMMENDATIONS ARE APPROVED.

UNGER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE PROTECTIONISM, FOOTWEAR, ELECTRONIC EQUIPMENT, PROTECTIVE TARIFFS, IMPORT QUOTAS
Control Number: n/a
Copy: SINGLE
Sent Date: 14-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977TAIPEI00264
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770014-0708
Format: TEL
From: TAIPEI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770149/aaaabqxg.tel
Line Count: 109
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 742571d9-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 SEOUL 286
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 30-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3590187
Secure: OPEN
Status: NATIVE
Subject: CONCERN OVER PERCEIVED RISING TIDE OF US PROTECTIONISM
TAGS: EFIS, ETRD, TW
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/742571d9-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009